

I would recommend XYZ Corporation to use a "Skimming Pricing Strategy" for the new flagship smartphone. This strategy involves initially setting a relatively high price for the product and gradually lowering it over time. Here are the reasons for this choice:

- ****High**

- **Quality Perceptions****: A skimming strategy can convey a sense of high quality and exclusivity, aligning with the flagship smartphone's premium features.

- **Profit Maximization****: By starting with a higher price, XYZ Corporation can maximize initial profits from early adopters and tech enthusiasts who are willing to pay a premium for the latest technology.

- **Covering Development Costs****: This strategy can help recoup the substantial development and marketing costs associated with launching a flagship product.

- **Competitive Advantage****: Competitors may find it challenging to match the high initial price, giving XYZ Corporation a competitive advantage in the early stages.

However, it's crucial for XYZ Corporation to have a clear plan for gradually reducing the price to make the smartphone more accessible to a broader market segment as time goes on. This can involve periodic price reductions or introducing lower-priced variants of the flagship model.

PAPER # 3

Exam Paper for Marketing Principles in BBA

Part A: Multiple Choice Questions (1 mark each)

1. Which of the following is NOT a core marketing concept?

(a) Product (b) Price (c) Place (d) Promotion (e) People

Answer: (e)

2. The marketing mix is a set of four controllable elements that a company uses to achieve its marketing goals. What are the four elements of the marketing mix?

(a) Product, price, place, and promotion (b) Market research, product development, advertising, and sales (c) Customer needs, customer wants, customer satisfaction, and customer loyalty (d) Internal environment, external environment, marketing mix, and marketing strategy (e) SWOT analysis, marketing objectives, target market, and marketing mix

Answer: (a)

3. Which of the following is NOT a type of market segmentation?

(a) Demographic segmentation (b) Geographic segmentation (c) Psychographic segmentation (d) Behavioral segmentation (e) Product segmentation

Answer: (e)

4. Which of the following is NOT a pricing objective?

(a) Profit maximization (b) Market share maximization (c) Sales maximization (d) Product positioning (e) Customer satisfaction

Answer: (d)

5. Which of the following is NOT a type of promotional mix?

- Social factors: These include the consumer's culture, reference groups, and family.
 - Cultural factors: These include the consumer's social class, subculture, and religion.
7. Discuss the different types of marketing strategies. (10 marks) Answer: The different types of marketing strategies include:
- Market penetration: This strategy focuses on increasing sales to existing customers in existing markets.
 - Market development: This strategy focuses on entering new markets with existing products.
 - Product development: This strategy focuses on developing new products to sell to existing customers.
 - Diversification: This strategy focuses on developing new products to sell to new customers.
8. Explain the process of developing a new product. (10 marks) Answer: The process of developing a new product typically involves the following steps:
9. Idea generation: This step involves coming up with new product ideas.
10. Idea screening: This step involves evaluating the product ideas to determine which ones are worth pursuing further.
11. Concept development: This step involves developing the product ideas into more detailed concepts.
12. Business analysis: This step involves evaluating the financial feasibility of the product concepts.
13. Product development: This step involves developing the product prototype.
14. Test marketing: This step involves testing the product prototype with a small group of consumers.
15. Commercialization: This step involves launching the product into the market.

Section C (Case Study)

Case Study:

Company A is a leading manufacturer of smartphones. The company is planning to launch a new smartphone model, the A10. The A10 is a high-end smartphone with a number of advanced features.

Questions: